



भारतीय बीमा विनियामक और विकास प्राधिकरण
INSURANCE REGULATORY AND
DEVELOPMENT AUTHORITY OF INDIA

Ref. No.-IRDA/INT/CIR/ORD/208/11/2015

20.11.2015

All Insurance Intermediaries

**Re: Guidelines on "Indian Owned and Controlled" for
Insurance Intermediaries.**

As you are aware, the Insurance Laws(Amendment) Act, 2015 provides for "Indian Owned and Controlled" requirement for an Indian Insurance Company. The amended Act also provided for increase in the foreign investment cap in the Indian Insurance Companies to 49 percent from 26%.

As a consequence of the same, the Government of India notified Indian Insurance Companies (Foreign Investment) Rules, 2015 on 19th February, 2015 applicable to Insurance Brokers, Third Party Administrators, Surveyors and Loss Assessors and other insurance intermediaries appointed under the provisions of the Insurance Regulatory and Development Authority Act,1999.

In order to give effect to the provisions of the Insurance Laws (Amendment) Act, 2015 on "Indian Owned and Controlled", the Authority has issued Guidelines vide Ref No.IRDA/F&A/GDL/GLD/180/10/2015 dated 19th October, 2015, which can be downloaded from our website www.irda.gov.in.

These guidelines are also made applicable to insurance intermediaries as defined in the IRDA Act, 1999 such as Brokers, Third Party Administrators, Surveyors and Loss Assessors etc. However, in case of an insurance intermediary having more than 50 percent of its revenue from the non-insurance activities, these guidelines shall not be applicable.

In this connection, your attention is drawn to clauses 2 and 4 of the guidelines where quantum of total foreign investment limits and also Indian Control have been specified. Further, clause 5 of the guidelines envisages the manner of ensuring compliance of "Indian Owned and Controlled".

As required under clause 5 of the guidelines, the insurance intermediaries where there is foreign investment in existence or intend to increase the existing level or propose to bring in foreign investment within the limits prescribed, shall submit the following.

W/S

- (i) An undertaking duly signed by Principal Officer and Compliance Officer, as applicable, confirming the compliance of "Indian owned and Controlled" and more specifically clauses 2 & 4 of the guidelines;
- (ii) Such undertaking shall be accompanied by
 - (a) A certified copy of resolution passed by the Board of Directors confirming the compliance of "Indian owned and controlled";
 - (b) Certified copy of the agreement/ joint venture agreement where amendments have been carried out to these agreements/ joint venture agreements to give effect to the provisions.

The insurance intermediaries are advised to submit the above undertakings in applicable cases to the Authority within three months from the date of issue of this circular.



(NILESH SATHE)
MEMBER(LIFE)